



County of Los Angeles **CHIEF EXECUTIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

July 29, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TRANSFER OF RESPONSIBILITY FOR THE
SAN FERNANDO, DOWNEY AND GLENDALE COURTHOUSES
AND SUBSEQUENT TRANSFER OF TITLE
TO THE STATE OF CALIFORNIA
(THIRD, FOURTH AND FIFTH DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends Board approval of three Transfer Agreements and three Joint Occupancy Agreements to effect the transfer of responsibility for the Superior Court's share of, and subsequent transfer of title for, the San Fernando Courthouse, the Downey Courthouse and the Glendale Courthouse. The second, third and fourth of approximately 50 transfers, this change will alleviate the County's current responsibility to provide, operate, and maintain space for the Superior Court in the San Fernando, Downey and Glendale areas.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the recommended actions are categorically exempt from the provisions of the California Environmental Quality Act (CEQA).
2. Approve and instruct the Chairman to sign the three Transfer Agreements with the Judicial Council of California for the transfer of responsibility for the Superior Court's share of facilities operations at the San Fernando Courthouse, the Downey Courthouse and the Glendale Courthouse, all effective October 1, 2008, and title to the entire San Fernando and Downey Courthouse properties to the State of California after the current bonded indebtedness is relieved, approximately

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

December 1, 2016, and title to the Glendale property to the State of California once title work is complete on that property.

3. Approve and instruct the Chair to sign the three Joint Occupancy Agreements setting the terms and conditions for the shared use of the courthouses by the County and the Superior Court, along with the other State parties.
4. Approve and instruct the Chief Executive Officer (CEO) to sign the Quitclaim Deeds, which will be approved as to form by County Counsel, substantially similar in form and content to that included as Exhibit B to each Transfer Agreement, at the appropriate time.
5. Instruct the Auditor-Controller to make quarterly installments of the County Facilities Payment associated with each of the three facilities, to the State Controller in accordance with the Government Code for transferred facilities and the instructions of the State Controller, as follows: 1) for the San Fernando Court facility, \$432,449 for 2008-09, and \$576,599 for subsequent years; 2) for the Downey Court facility, \$332,309 for 2008-09 and \$443,079 for subsequent years; and 3) for the Glendale Court facility, \$295,170 for 2008-09 and \$393,560 for subsequent years, as these amounts may be adjusted by the State Department of Finance to account for changes in the rate of inflation up to the date of transfer.
6. Instruct the CEO to assign any agreements for third-party tenants if the responsibility for those agreements is transferred to the Judicial Council under the Transfer Agreements, and to terminate those agreements that cannot be reassigned.
7. Authorize the CEO to execute any other documents necessary to complete the transfers, and to implement their purposes, upon approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Lockyer-Isenberg Trial Court Funding Act (AB 233, Chapter 850 of the Statutes of 1997) transferred the obligation for funding of court operations from the counties to the State, along with an annual maintenance-of-effort payment by each county, and established a process for developing legislation for the transfers of personnel functions and facilities in later years. In 2000, SB 2140 (Chapter 1010 of that year) made changes to the personnel structure, so that the State became responsible for hiring, classification and compensation, and other personnel issues. Largely following the recommendations of the State Task Force on Court Facilities, the Trial Court Facilities Act (SB 1732, Chapter 1082 of 2002) followed, establishing the authority for the transfer of the final aspect of courts,

that is, the transfer of responsibility for court facilities from the counties to the State, with the State's interests represented by the Judicial Council of California.

The Trial Court Facilities Act (the Act) authorizes the State of California, through the Judicial Council, to assume the financial responsibility for the facilities operations (e.g., payment of utilities, building and grounds maintenance, permitting of equipment, and other building management functions) in the local trial courts. With "equal access to justice" as a key underpinning of the Act, the Legislature asserted that the State can best insure uniformity of access to all Californians by implementing the facilities transfers. In addition, the transfers will reunite the responsibility for operations with the responsibility for facilities, increasing the likelihood that decision-making will consider both issues, thereby improving the efficiency and effectiveness of court operations. On the County side, transfer of the court facilities will relieve the County of its responsibility for maintenance of court facilities, which responsibility has largely been dictated by the non-County tenant, as well as of its obligations for future operational cost increases.

Despite diligent efforts on the part of the County, only the Long Beach Courthouse was transferred prior to the original deadline for transfer under the Act, which was June 30, 2007. Under the Board's direction, County staff worked alongside the Judicial Council's staff agency, the Administrative Office of the Courts (AOC), and the other counties to secure passage of AB 1491 (Jones, Chapter 9 of 2008), which extends the transfer period through December 31, 2009.

County work on the transfers of all 50 court facilities is virtually complete, including efforts related to assessment and documentation of present conditions, including space and parking allocations, providing information to the AOC in support of their due diligence process, calculation of the annual County Facilities Payment (CFP), negotiation of general terms and conditions of transfers, and drafting of a "template" agreement. The remaining transfers will be submitted to your Board for approval as the agreements are completed by the AOC.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we provide the public with beneficial and responsive services (Goal 1), and that we strengthen the County's fiscal capacity (Goal 4). The transfer of the San Fernando, Downey and Glendale Courthouses to the State will support the County's efforts to maintain court services in the three areas to the benefit of the public, while at the same time, limiting the County's exposure to inflationary cost increases in future years.

FISCAL IMPACT/FINANCING

The Act requires that, for each court facility transferred, the County develop and certify a CFP, which is the maintenance-of-effort payment. The CFP is intended to approximate the amount that the County has historically expended for facilities operations costs associated with the Superior Court's share of each courthouse, including payment of utilities, building maintenance, permitting of equipment, grounds maintenance, certain property claims and losses, and management of leases and licenses with third-party tenants in the Superior Court's area. To calculate the CFP, actual costs incurred during a five-year base period were adjusted for inflation, and the average used as the basis for the payment. Because inflation to the date of transfer can only be estimated, the Act provides that the calculated CFP amounts may be adjusted, on a one-time basis, for the actual rate of inflation, once it becomes known.

After transfer of responsibility for the State's share of each facility, and payment by the County of the CFP, the State and the County will each be responsible for their respective shares of all facilities operations costs.

The Joint Occupancy Agreements (Attachments B, D, and F) for the transfer of each of the three courthouses provide that the County will retain the duties of the Building Manager at least through the end of 2009-10. During the period where the County acts as Building Manager, the State will pay the County for its share of the facilities operations costs, out of the CFP payment made annually by the County, and from additional State funding as needed. As the years go by, the State will be responsible for all cost increases that may occur in their share of facilities operations, and the County's responsibility for the State area will remain at the original level, via the CFP payment.

San Fernando Courthouse

For the San Fernando Courthouse, the Auditor-Controller developed and certified a CFP payment of \$576,599, which we have presented to the AOC. The AOC has reviewed the amount for accuracy, approved it, and submitted it to the State Department of Finance for final approval. Because responsibility is transferred effective October 1, 2008, the County will make only three of the required quarterly payments, for a total in 2008-09 of \$432,449.

In the San Fernando Courthouse, the State will become financially responsible for facilities operations in the 83 percent of the Courthouse that houses the Superior Court and the State-funded Sheriff security services, as well as the areas leased or licensed to Superior Court-related tenants, and the Superior Court's share of the common area. The County will continue to be financially responsible for facilities operations in the 17 percent of the Courthouse that houses the District Attorney, Public Defender, County-funded Sheriff Civil Management services, and other miscellaneous County spaces, as well as the County's share of the common area.

Downey Courthouse

For the Downey Courthouse, the Auditor-Controller developed and certified a CFP payment of \$443,079, which we have presented to the AOC. The AOC has reviewed the amount for accuracy, approved it, and submitted it to the State Department of Finance for final approval. Because responsibility is transferred effective October 1, 2008, the County will make only three of the required quarterly payments, for a total in 2008-09 of \$332,309.

In the Downey Courthouse, the State will become financially responsible for facilities operations in the 84 percent of the Courthouse that houses the Superior Court and the State-funded Sheriff security services, as well as the areas leased or licensed to Superior Court-related tenants, and the Superior Court's share of the common area. The County will continue to be financially responsible for facilities operations in the 16 percent of the Courthouse that houses the District Attorney, Public Defender, and other miscellaneous County spaces, as well as the County's share of the common area.

Glendale Courthouse

For the Glendale Courthouse, the Auditor-Controller developed and certified a CFP payment of \$393,560, which we have presented to the AOC. The AOC has reviewed the amount for accuracy, approved it, and submitted it to the State Department of Finance for final approval. Because responsibility is transferred effective October 1, 2008, the County will make only three of the required quarterly payments, for a total in 2008-09 of \$295,170.

In the Glendale Courthouse, the State will become financially responsible for facilities operations in the 91 percent of the Courthouse that houses the Superior Court and the State-funded Sheriff security services, as well as the areas leased or licensed to Superior Court-related tenants, and the Superior Court's share of the common area. The County will continue to be financially responsible for facilities operations in the 9 percent of the Courthouse that houses the District Attorney, Public Defender, and other miscellaneous County spaces, as well as the County's share of the common area.

General Fiscal Information

The AOC worked with counties to develop forms and instructions for the CFP, which instruct the County to use the Auditor-Controller's Countywide Cost Allocation Plan amounts as the cost basis. As summary amounts, several of these costs have been allocated across the various courthouses based on a formula, rather than on actual expenditures by courthouse; thus, the amounts included in the CFPs are not exact. In order to lessen the risk to the County and to the State, for 2007-08 and 2008-09, while other courthouses are in process of being transferred, the County will bill, and the State will pay, an amount based on the CFP, rather than on actual costs, for facilities operations

services rendered by the County to the Superior Court, except utilities which will be paid by the State based on our actual costs of utilities incurred at each courthouse.

In addition, because the County does not traditionally purchase property insurance, and is therefore not making a property insurance payment as part of the CFP, the County will instead indemnify the State for certain "insurable" property losses in excess of \$10,000, as long as the County retains building management responsibilities. In our experience, such property losses have rarely occurred in courthouses. Because the San Fernando and Downey Courthouses are bond-financed, the County is insuring the buildings, and the State may participate in the County's insurance coverage, including coverage for earthquake, by participating in the premiums. The AOC has not informed the County of their decision whether to participate in the County's insurance for these two courthouses.

The list of insurable losses that the County is indemnifying excludes earthquake damage at the San Fernando Courthouse only. Under SB 10 (Chapter 444 of 2006), earthquake damage becomes the responsibility of the State for buildings such as San Fernando which are rated at "Seismic Level IV." In accordance with SB 10, the County will continue to remain responsible for all real property losses associated with any seismic event at both Downey and Glendale Courthouses. Prior to the passage of SB 10, these courthouses did not meet the State's criteria for "seismic performance," and thus could not be transferred at all. SB 10 allows for the transfer of most courthouses that do not meet the State's criteria, as long as the County retains the responsibility that it would have had for seismic-related property losses if the facilities had not transferred.

There will be a recommendation in your Board's Supplemental Resolution on the 2008-09 Budget, or later in the year, to adjust appropriations among various General Fund budget units to accommodate the new financing structure, with no net County cost impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Trial Court Facilities Act (SB 1732, Chapter 1082 of 2002, as amended by later statutes) authorizes the County to enter into agreements for the transfer of responsibility for and title to court facilities, as well as the joint occupancy of those court facilities. The Transfer Agreements (Attachments A, C and E) and Joint Occupancy Agreements (Attachments B, D and F) have been approved as to form by County Counsel. The Cities of San Fernando, Downey and Glendale have been provided notice of these transfers pursuant to Government Code Section 65402.

San Fernando Courthouse

The San Fernando Courthouse property consists of:

- the main courthouse, which totals approximately 203,000 gross square feet (according to the County's property data base), comprising 17 courtrooms and hearing rooms (with associated prisoner holding facilities, judicial chambers, jury rooms, and the like), Superior Court offices, County offices, a vacant cafeteria, and other miscellaneous spaces;
- surface parking on the grounds of the courthouse, with 33 secure and 162 other parking spaces, shared by the Superior Court and the County for staff and juror use; and
- two parking lots (Auto Parks 84 and 92) across the street from the courthouse, with 222 and 169 spaces, respectively, used for Superior Court and County staff, jurors and the public. Auto Park 84 is a revenue-generating lot.

The transfer does not include the vacant San Fernando Courthouse Annex, a separate building on the same block as the courthouse, along with 67 parking spaces, although the parking spaces will be made available on an interim basis until another use is determined for the vacant building.

San Fernando Transfer Agreement

The "Transfer Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Transfer of Responsibility for and Title to the San Fernando Courthouse" is included in this Board letter as Attachment A. Under the Transfer Agreement:

- The County will transfer to the State responsibility for, and equity rights to, the 83 percent of the San Fernando Courthouse that is the Superior Court's share of the facility.
- The State's share of the courthouse will include areas used exclusively by the Superior Court and by the Sheriff's Court Services Division security-related staff, the vacant area of the cafeteria, the Self-Help Legal Access Center (licensed to Neighborhood Legal Services), and other areas used by tenants that are more closely aligned to the Superior Court than to the County services.

- The County's share of the courthouse will include areas used exclusively by the County, including the District Attorney, the Public Defender and the Sheriff for its Civil Management services.
- The State's share of the courthouse will include an 83 percent share of all common areas, such as lobbies, parking and grounds, except that the State will be 100 percent responsible for management of, and entitled to all revenue from, public parking in Lot 84, and the off-hours lease of parking spaces to the Pentecostal Assembly of Van Nuys. The County's share of the courthouse will include the remaining 17 percent share of all common areas.
- The County will transfer title to the courthouse and parking via the Quitclaim Deeds, which will be substantially similar to Exhibit B of the Transfer Agreement, upon maturity of the current bond financing, anticipated to occur on December 1, 2016, and after approval of the title documents by the State Public Works Board, and recordation of the Quitclaim Deeds by the County Recorder. (It is anticipated that the Quitclaim Deeds will be signed by the Chief Executive Officer in mid-2016.)
- The County will retain a 13 percent equity share of the property for which title is transferred, such that, when the parcel is sold, and under certain other circumstances, the County will receive its share of the proceeds.

San Fernando Joint Occupancy Agreement

The "Joint Occupancy Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the San Fernando Courthouse" is included in this Board letter as Attachment B. Under the Joint Occupancy Agreement:

- The State will pay its 83 percent share of all costs of facilities operations, including building and grounds maintenance and utilities charges, except that, during 2008-09, State costs except utilities will be limited to the amount of the applicable portion of the CFP.
- The County will pay its 17 percent share of all costs of facilities operations.
- While the State has been officially designated the managing party for purposes of building management, the County has been delegated that responsibility for at least through 2008-09.
- The Internal Services Department (ISD) will provide services at substantially the same levels as it has in the past, including services in the County exclusive use areas, the Court exclusive use areas, and the common areas. Alterations and improvements

which are not considered repairs will be completed by ISD for the Superior Court areas, but only if funding is provided for those additional services.

Downey Courthouse

The Downey Courthouse property consists of:

- the courthouse, which totals approximately 104,000 gross square feet (according to the County's property data base), comprising seven courtrooms and hearing rooms (with associated prisoner holding facilities, judicial chambers, jury rooms, and the like), Superior Court offices, County offices, and other miscellaneous spaces; and
- surface parking on the grounds of the courthouse, with 15 secure and 285 other parking spaces, shared by the Superior Court and the County for staff, juror and public use.

The transfer does not include an additional parking lot on the same Assessor's Parcel as the Downey Courthouse. The lot is used for the Public Library and occasionally for overflow juror parking.

Downey Transfer Agreement

The "Transfer Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Transfer of Responsibility for and Title to the Downey Courthouse" is included in this Board letter as Attachment C. Under the Transfer Agreement:

- The County will transfer to the State responsibility for, and equity rights to, the 84 percent of the Downey Courthouse that is the Superior Court's share of the facility.
- The State's share of the courthouse will include areas used exclusively by the Superior Court and by the Sheriff's Court Services Division security-related staff, and areas used by tenants that are more closely aligned to the Superior Court than to the County services.
- The County's share of the courthouse will include areas used exclusively by the County, including the District Attorney, the Public Defender and Alternate Public Defender, the Probation Department and a Fourth District Supervisor's Field Office.
- The State's share of the courthouse will include a 84 percent share of all common areas, such as lobbies, parking and grounds. The County's share of the courthouse will include the remaining 16 percent share of all common areas.

- The County will transfer title to the courthouse and parking via the Quitclaim Deed, which will be substantially similar to Exhibit B of the Transfer Agreement, upon maturity of the current bond financing, anticipated to occur on December 1, 2016, and after approval of the title documents by the State Public Works Board, and recordation of the Quitclaim Deed by the County Recorder. (It is anticipated that the Quitclaim Deed will be signed by the Chief Executive Officer in mid-2016.)
- The County will retain a 16 percent equity share of the property for which title is transferred, such that, when the parcel is sold, and under certain other circumstances, the County will receive its share of the proceeds.

Downey Joint Occupancy Agreement

The "Joint Occupancy Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Downey Courthouse" is included in this Board letter as Attachment D. Under the Joint Occupancy Agreement:

- The State will pay its 84 percent share of all costs of facilities operations, including building and grounds maintenance and utilities charges, except that, during 2008-09, State costs except utilities will be limited to the amount of the applicable portion of the CFP.
- The County will pay its 16 percent share of all costs of facilities operations.
- While the State has been officially designated the managing party for purposes of building management, the County has been delegated that responsibility for at least through 2008-09.
- ISD will provide services at substantially the same levels as it has in the past, including services in the County exclusive use areas, the Court exclusive use areas, and the common areas. Alterations and improvements which are not considered repairs will be completed by ISD for the Superior Court areas, but only if funding is provided for those additional services.

Glendale Courthouse

The Glendale Courthouse property consists of:

- the courthouse, which totals approximately 69,000 gross square feet (according to the County's property data base), comprising eight courtrooms and hearing rooms (with associated prisoner holding facilities, judicial chambers, jury rooms, and the like), Superior Court offices, County offices and other miscellaneous spaces; and

- surface parking on the grounds of the courthouse, with 152 parking spaces, shared by the Superior Court and the County for staff and juror use.

Glendale Transfer Agreement

The "Transfer Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Transfer of Responsibility for and Title to the Glendale Courthouse" is included in this Board letter as Attachment E. Under the Transfer Agreement:

- The County will transfer to the State responsibility for, and equity rights to, the 91 percent of the Glendale Courthouse that is the Superior Court's share of the facility.
- The State's share of the courthouse will include areas used exclusively by the Superior Court and by the Sheriff's Court Services Division security-related staff, and areas used by tenants that are more closely aligned to the Superior Court than to the County services.
- The County's share of the courthouse will include areas used exclusively by the County, including the District Attorney, the Public Defender and the Alternate Public Defender.
- The State's share of the courthouse will include a 91 percent share of all common areas, such as lobbies, parking and grounds. The County's share of the courthouse will include the remaining 9 percent share of all common areas.
- The County will transfer title to the courthouse and parking via the Quitclaim Deed, which will be substantially similar to Exhibit B of the Transfer Agreement, after approval of the title documents by the State Public Works Board, and recordation of the Quitclaim Deed by the County Recorder. (The Quitclaim Deed will be signed by the Chief Executive Officer following approval of the transfer of the Glendale Courthouse.)
- The County will retain a 9 percent equity share of the property for which title is transferred, such that, when the parcel is sold, and under certain other circumstances, the County will receive its share of the proceeds.

Glendale Joint Occupancy Agreement

The "Joint Occupancy Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Glendale Courthouse" is included in this Board letter as Attachment F. Under the Joint Occupancy Agreement:

- The State will pay its 91 percent share of all costs of facilities operations, including building and grounds maintenance and utilities charges, except that, during 2008-09, State costs except utilities will be limited to the amount of the applicable portion of the CFP.
- The County will pay its 9 percent share of all costs of facilities operations.
- While the State has been officially designated the managing party for purposes of building management, the County has been delegated that responsibility for at least through 2008-09.
- ISD will provide services at substantially the same levels as it has in the past, including services in the County exclusive use areas, the Court exclusive use areas, and the common areas. Alterations and improvements which are not considered repairs will be completed by ISD for the Superior Court area, but only if funding is provided for those additional services.

Building Management Services to be Provided by ISD

Currently, ISD provides facilities operations services for all of the Superior Court facilities within the County. When the State is the majority user of a transferred courthouse, it has asserted the right to become the Building Manager, and to hire its own staff or contract staff to provide facilities operations to that courthouse. When all of the courthouses are transferred, it is estimated that up to 115 ISD staff would no longer be required. Rather than accepting a layoff of that magnitude, the County and AOC negotiators concurred on a "soft landing" for the transfer of facilities operations services.

The "soft landing" is as follows: 1) for at least the first two years after the first transfer (that is, 2007-08 and 2008-09), the County will retain all of the operations and maintenance responsibilities, subject only to our loss of those service responsibilities for default; 2) beginning in July 2009, the State will be able to assume operations and maintenance responsibility for up to one-third of the transferred courthouses, and in July 2010, up to two-thirds; and 3) it will be only in July 2011, at the earliest, that the State will be able to assume all responsibilities for these services. This negotiated agreement allows ISD to mitigate, to some extent, the potentially required reduction in its staffing. ISD management has already been working with the CEO and the Department of Human Resources to plan their hiring and workload, and to use temporary employees, so as to minimize the impact of a reduction that would naturally occur through attrition over a seven-to-ten-year period.

Third Party Tenants

Prior to the facilities transfer, the Superior Court has entered into service provider agreements or had service provider arrangements with a number of third-party tenants in

County courthouses. Upon transfer of responsibility, the County will no longer have any liability for those third-party tenants that occupy State exclusive use areas or common areas. Recommendation 6 authorizes the CEO to terminate any existing County agreements that are no longer our responsibility; it is our expectation that the State will execute replacement agreements with each of the tenants.

Sale of Courthouses

The Transfer Agreements anticipate the possibility that the State may vacate any of the courthouses being transferred, such as if a replacement courthouse is built. In such an event, the County would likely also vacate the old building, and be entitled to payment for its share of the equity in the property. Even prior to a sale, there may be reason that the parties agree that one party may purchase the other party's equity. Pursuant to the Transfer Agreements, the County's payment will be based on the fair market sales value, or if no sale has occurred, based on a shared appraisal of fair market value.

Differences from the Earlier Long Beach Agreements

The attached Transfer and Joint Occupancy Agreements differ from those approved by the Board in June 2007 for the Long Beach Courthouse in the following salient ways:

- The San Fernando and Downey Courthouses are subject to bonded indebtedness, and therefore, title will remain with the County for another eight years;
- The San Fernando Courthouse is rated by the State at Seismic Level IV, and therefore, the State becomes responsible for the Superior Court share of any seismic-related real property damage, whereas, Long Beach was rated as Seismic Level V, requiring the County to retain responsibility for all seismic-related damage to the building. (Both the Downey and Glendale Courthouses are rated as Seismic Level V.);
- The date that the Transfer of Responsibility is effective is delayed to the quarter beginning at least 45 days after Board approval, in order to more smoothly transition the transfer of agreements with third-party tenants in the Superior Court area;
- The period wherein the County charges the State for building and grounds maintenance based on the CFP, rather than on actual costs, is reduced from two years to nine months (although the period will end on June 30, 2009, which is the same as the ending date for the Long Beach adjusted-charge period);
- The Parties' equity rights (upon sale or anticipated sale of the property) have been clarified based on experience in the transfer of the County's Long Beach equity rights;

- The new agreements provide for Right of Entry permission and State assumption of associated liabilities, to allow a State contractor to drill for environmental testing, whereas in Long Beach, a Right-of-Entry Permit was executed separately by the CEO; and
- The new agreements clarify that Americans with Disabilities Act upgrades to court facilities that become necessary in the future due to future capital improvements or changes in courthouse usage are the responsibility of the State.

Plan for Additional Court Transfers

In anticipation of the passage of extending legislation, the County continued to work diligently with the AOC to complete all the analysis and documentation necessary to transfer all of our remaining court facilities as early as possible, in order to minimize the annual costs after transfer. Counties are penalized for all transfer delays, both through the rate of inflation to the date of transfer, and an additional penalty on counties for transfers completed after September 30, 2008, which penalty increases after December 31, 2008. It is anticipated that approximately 46 additional transfer agreements will be presented to your Board within the next few months, along with joint occupancy agreements for those courthouses where the County shares use of the courthouse. In most cases where the Superior Court is the majority tenant, the County will also be transferring title, either in the short term, or upon maturity of outstanding bonds.

Along with the Long Beach Courthouse, which transferred effective July 1, 2007, and the Glendale Courthouse in this package, three additional courthouses, the Huntington Park Courthouse, the Santa Clarita Courthouse, and the Alfred J. McCourtney Juvenile Justice Center (Old Lancaster Courthouse) are considered by the Judicial Council to be "Immediate Need" priorities for State capital outlay, and are expected to be among the earliest courthouses transferred. As a significant amount of documentation has been collected for the AOC on three of the leased court facilities, San Pedro Annex, Redondo Beach Courthouse, and Monrovia Warehouse, and because transfer of these leases should be relatively simple, it is anticipated that these facilities will also be transferred early. As the largest facilities, the County's flagship Stanley Mosk Courthouse and the Clara Shortridge Foltz Criminal Justice Center are also among the highest priorities for early transfer.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are categorically exempt from the provisions of CEQA pursuant to Section 15301 of the State CEQA Guidelines, since the courthouses are existing public facilities, and the recommended actions involve negligible or no expansion of use of those facilities.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Inasmuch as the State will continue to operate the San Fernando, Downey, and Glendale Courthouses for court purposes, the transfer will result in no significant impact in the levels or quality of services provided to County constituents.

CONCLUSION

Please return one adopted, stamped copy of this letter and two signed originals of each of the agreements to the Chief Executive Office for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
MV:tlh

Attachments (6)

- c: County Counsel
- Auditor-Controller
- Alternate Public Defender
- District Attorney
- Internal Service Department
- Public Defender
- Department of Public Works
- Sheriff
- Los Angeles Superior Court